

Link Administration Holdings Limited (ABN 27 120 964 098)



Corporate Governance Statement

2017

At Link Group, we recognise that good corporate governance underpins sustainable value creation for all of our stakeholders.

While the Board of Directors (Board) are the stewards of our corporate governance framework, at Link Group, we expect that all employees will demonstrate good corporate governance practices.

This Corporate Governance Statement:

- *reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles). The practices detailed in this Corporate Governance Statement are current as at 18 August 2017; and*
- *has been approved by the Board and is located on Link Group's website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>.*

Link Group's governance arrangements have been consistent with the ASX Principles through the financial year ended 30 June 2017 (FY2017).

The Board lays solid foundations for management and oversight

Board responsibilities and delegations

The Board is appointed by and represents shareholders, the owners of Link Group. It is accountable to shareholders for creating and delivering sustainable value through effective governance of Link Group. To deliver this, the Board as a whole must perform. All Directors must contribute to the Board's collective decision-making process having regard to the skills and experience that each Director brings to the Link Group Board. Details of each of Link Group's Directors (and its Committee members) is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#board>.

The Board Charter provides a framework for the effective operation of the Board, which sets out the:

- Board's role and responsibilities;
- the establishment of Committees (described below); and
- the authority delegated by the Board to the Managing Director and to the Committees.

The Board's role includes providing leadership and guiding Link Group's strategic direction, driving its performance and overseeing the activities of Management and the operation of Link Group. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure for Link Group.

The Board Charter specifies the role of the Chair, the Board composition and the responsibilities of Directors. It also provides that the Company Secretaries are accountable to the Board through the Chair and that the Company Secretaries are to advise the Board and its Committees on all governance matters and coordinate all Board and Committee business.

The Board Charter also allocates the decision making authority within Link Group and sets out the matters reserved for Board decision. The Board delegates to the Managing Director authority and power to manage the Link Group business on a day-to-day basis, subject to the limits imposed by the Board. In turn, the Managing Director may delegate aspects of his authority to Senior Executives but remains accountable to the Board for the authority that is delegated and for the performance of Link Group, with the expectation that the Managing Director works in a constructive partnership with the Board. The Board monitors the decisions and actions of the Managing Director, the performance of Link Group and assesses its risk profile with the assistance of each of its Committees.

The Board Charter also describes the Managing Directors' specific duties.

The Board Charter is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance> and is next scheduled for review in December 2017.

Board Committees

The Board has established the following Committees to assist it in discharging its functions:

- Human Resources and Remuneration Committee;
- Nomination Committee;
- Risk and Audit Committee; and
- Technology and Innovation Committee.

each of which are described in detail below.

Board meetings and attendance

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to Link Group to perform their responsibilities effectively, including adequate time to prepare for Board meetings. During FY2017, the Board met 15 times, being a combination of 11 scheduled and 4 unscheduled meetings.

Attendance at Board and Committee meetings during FY2017 by the current Directors is set out in the table below.

	Board		Risk and Audit Committee		Human Resources and Remuneration Committee		Technology and Innovation Committee	
	H	A	H	A	H	A	H	A
M Carapiet	15	15	3 n/a ^{\$}	3 1*	5	5	5	5
J McMurtrie [#]	15	15	n/a	5*	n/a	5*	n/a	5*
G Boreham	15	15	n/a	3*	5	5	5	5
P Gupta	9	9	3	3	n/a	1*	n/a	2*
A McDonald	15	15	5	5	n/a	4*	n/a	4*
S Pitkin	15	15	5	5	5	5	n/a	3*
F Trafford-Walker	15	15	5	5	n/a	4*	5	5

H: Number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (*).

A: Number of meetings attended by the Director.

^{\$}: Mr Carapiet was a member of the Risk and Audit Committee until 8 December 2016. Following this date, Mr Carapiet's attendance at the Risk and Audit Committee meeting was in an ex-officio capacity.

[#]: The Managing Director is a Member of the Nomination Committee but is not a Member of any other Committee given he is an Executive Director.

Senior Executives attend Board and Committee meetings by invitation.

Access to information and independent professional advice

Management are required to report regularly to the Board in a spirit of openness on the progress being made by Link Group. Directors are entitled to request additional information at any time they consider it appropriate. An open dialogue between individual Directors and the Managing Director and Senior Executives is encouraged.

The Board collectively, and each Director individually, has the right to seek independent professional advice, at Link Group's expense.

Diversity and inclusion

Link Group values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity and inclusion. The Board has adopted a Diversity and Inclusion Policy which recognises workplace diversity and inclusion as an integral part of how Link Group operates which is imperative to our success. Workplace diversity and inclusion recognises our individual differences, including differences in gender, ethnicity, sexual orientation, age, physical abilities, family status, religious belief, perspective and experience.

Link Group's business policies, practices and behaviours promote workplace diversity and equal opportunity and create an inclusive and collaborative environment where individual differences are valued and all personnel have

the opportunity to realise their potential and contribute to Link Group's success.

The Human Resources and Remuneration Committee is responsible for reviewing the Diversity and Inclusion Policy. During FY2017, following the endorsement of the Committee, amendments to the Policy taking into consideration current best practices within the ASX listed environment and guidance from Pride in Diversity were approved by the Board. The Diversity Policy is located on Link Group's website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>.

The Committee also annually reviews the status of workplace diversity within Link Group and the effectiveness of the measurable objectives including for achieving gender diversity.

Gender is a key diversity target at Link Group. As such, female representation at Link Group since its Initial Public Offering (IPO)* is set out below.

Link Group level	Current percentage of women	Percentage of women in 2016**
Board of Directors	43%	50%
Senior Executives***	33%	25%
Senior Leaders	34%	38%
Senior Technical Employees	31%	30%
Link Group (entire organisation)	55%	52%

* Link Group intends to report these statistics in respect of three years from FY18, being the third year from IPO.

** As reported in the 2016 Corporate Governance Statement.

*** Senior Executives includes the Executive Key Management Personnel of the Company as outlined in the Remuneration Report for FY2017, the Deputy Chief Financial Officer, the Chief Risk Officer, the Chief Human Resources Officer and General Counsel & Joint Company Secretary.

Link Group is a "relevant employer" under the Workplace Gender Equality Act 2012 and Link Group's most recent public report to The Workplace Gender Equality Agency (WGEA) is available on WGEA's website at www.wgea.gov.au/report/public-reports.

Gender diversity

With respect to gender diversity, Link Group is targeting the following measurable objectives* by FY2019:

Link Group level	Target percentage
Senior Executives**	From 25% to 28%
Senior Leaders	From 38% to 42% female
Senior Technical Employees	From 30% to 33% female
Administration/Support Group	From 35% to 37% male

* Australia only.

** Senior Executives includes the Executive Key Management Personnel of the Company as outlined in the Remuneration Report for FY2017, the Deputy Chief Financial Officer, the Chief Risk Officer, the Chief Human Resources Officer and General Counsel & Joint Company Secretary.

Following completion of the acquisition of Capita Asset Services, these targets will be reconsidered.

Awareness and education of diversity and inclusion

Link Group currently provides high level compliance training on equal employment opportunity for employees and managers.

In FY2017, Link Group developed an awareness program on diversity, unconscious bias and inclusiveness. Training to all senior leaders is scheduled to be delivered in the first quarter of FY2018. Link Group will progressively introduce training to all staff through Link Group's online training platform.

Flexible working arrangements and supporting working families

Link Group policies currently provide for flexible work arrangements such as working from home, paid parental

leave, paid carers leave, paid volunteer leave and additional personal leave.

During FY2018, Link Group will review its Flexible Work Arrangements Policy and expand the suite of flexible work arrangements under that policy.

Building leadership capabilities

Link Group has a program to provide training to all Senior Leaders. There are a number of different elements to this program including external and internal coaching and mentoring and external networking opportunities.

Performance Review of the Managing Director and Senior Executives

At the start of each financial year, key performance indicators (**KPIs**) for the Managing Director and each of the Senior Executives are reviewed and recommended to the Board by the Human Resources and Remuneration Committee. At the end of the year, in conjunction with the Managing Director (or the Chair in the case of the Managing Director), Senior Executives' performance against the KPIs are assessed. These assessments are reviewed and reported to the Board by the Human Resources and Remuneration Committee.

In respect of FY2017, a performance evaluation of the Managing Director and each Senior Executive was conducted by the Human Resources and Remuneration Committee and confirmed by the Board. KPI performance for Executive Key Management Personnel are described from page 67 of the Annual Report, located on the Link Group website under 'Investors' at <http://investors.linkgroup.com/Investors/?page=Annual-Reports>

KPIs in respect of FY2018 for the Managing Director and each Senior Executive have also been established.

The Board is structured to add value

Board composition and Director selection/appointment/induction process

The Board believes orderly succession and renewal will be achieved as a result of careful planning. While the current Board has only been in place for two years, the composition of the Board is periodically reviewed within the limit imposed by the Constitution (maximum ten Directors).

The Board will comprise a majority of independent Non-Executive Directors. The Board will also comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds that is appropriate to Link Group and its strategy. Following the completion of the acquisition of Capita Asset Services, the Board will also be diverse in geographic location, as the Board intends to appoint a UK-based independent Non-Executive Director.

When appointing new Directors, the Board, in discharging its nominations related responsibilities, evaluates the balance of skills, knowledge and experience on the Board as well as the terms served by existing Non-Executive Directors. In light of this evaluation, the Board determines the role and capabilities required for the appointment.

At commencement of a Director selection process, the Board undertakes appropriate checks on potential candidates to consider his or her suitability to fill a casual vacancy on the Board or for election as a Director. Prior to appointment, candidates are required to provide the Chair with details of other commitments and an indication of time involved, and to acknowledge that he or she will have adequate time to fulfil his or her responsibilities as a Non-Executive Director of Link Group. Link Group enters into a written agreement with each Director (and Senior Executive) setting out the key terms, conditions and responsibilities of their position.

As part of a mutual due diligence process between the Board and a potential candidate, the potential Director is provided a suite of documentation (being a combination of public and private materials), subject to strict confidentiality arrangements.

Once appointed, new Directors undergo an induction program during which they meet Senior Executives and are given a full briefing on Link Group operations, its strategies, the nature of its various businesses, its financial position and performance and its operational and risk management. The program has traditionally included a tour of Link Group's domestic premises. Following the completion of the acquisition of Capita Asset Services, the program will progressively include tours of Link Group's international offices (commensurate with a Board meeting to be scheduled in the UK annually).

Directors appointed to fill a casual vacancy hold office until the end of Link Group's next annual general meeting (**AGM**), where they can seek election by shareholders. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules. On recommendation from the Nomination Committee, the notice of AGM contains all material information about candidates so that shareholders can make an informed decision on whether or not to

elect or re-elect a Director.

As a result of a review and after considering the qualities currently represented on the Board, on 18 November 2016, Peeyush Gupta was appointed to the Board as an Independent Non-Executive Director to fill a casual vacancy. Shareholders will be asked to elect Mr Gupta as a Link Group Director at the 2017 Annual General Meeting.

Non-Executive Directors must inform the Chair before accepting any new appointment as a Director of another listed entity, another material directorship or other position with a significant time commitment attached.

All Directors are encouraged and supported to undergo regular professional development and where practicable, specific educational sessions are scheduled for Board and Committee meetings.

Link Group Board of Directors

The Link Board currently has seven Directors, one of whom is the Managing Director, John McMurtrie, and the rest of whom are independent Non-Executive Directors. While the Board considers the current size is appropriate to presently discharge its duties effectively, following the completion of the acquisition of Capita Asset Services, the Board intends to appoint an additional UK-based independent Non-Executive Director.

The criteria by which the Board determines the independence of a Director is set out in the Board Charter. Six Directors are considered by the Board to be independent Non-Executive Directors, including Michael Carapiet, Chair of the Board, as set out in the table below. There is a clear division of responsibility between the Independent Non-Executive Chair and the Managing Director.

Each Director must immediately disclose to the Board if a Director is, or becomes aware of, any information, facts or circumstances that will or may affect that Director's independence.

Director	Independent Status	Appointment Date
Michael Carapiet (Chair)	Independent Non-Executive Director	26 June 2015
John McMurtrie (Managing Director)	Not considered independent	16 February 2007
Glen Boreham	Independent Non-Executive Director	23 September 2015
Peeyush Gupta	Independent Non-Executive Director	18 November 2016
Anne McDonald	Independent Non-Executive Director	15 July 2016
Sally Pitkin	Independent Non-Executive Director	23 September 2015
Fiona Trafford-Walker	Independent Non-Executive Director	23 September 2015

Board skills matrix

The Board is comprised of highly experienced business leaders who each meet the fundamental requirements necessary to govern an ASX listed company in the financial services and technology sectors. In addition, the Board considers that each Director demonstrates the following personal attributes:

- the time to undertake the responsibilities of the role;
- unquestioned honesty and integrity;
- an ability to apply strategic thought to relevant matters;
- the ability to exercise sound business judgement and to deal with complex issues; and
- a preparedness to question, challenge and critique.

The Managing Director brings additional perspectives to the Board through a deeper understanding of Link Group's business and the day-to-day operations.

The Directors of Link Group collectively contribute the following key skills and experience:

Skills and experience	Directors' Experiences
<p>Strategy</p> <p>Track record of developing and implementing a successful strategy, including appropriately probing and challenging Management on the delivery of agreed strategic planning objectives.</p>	<i>7 in both a director and executive role.</i>
<p>Risk Management</p> <p>Track record in developing an asset or business portfolio over the long term that remains resilient to systemic risk.</p>	<i>7 in both a director and executive role.</i>
<p>Financial Acumen</p> <p>Senior Executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial and risk controls.</p>	<i>7 in both a director and executive role.</i>
<p>Governance</p> <p>Commitment to high standards of governance and compliance to all ASX Listing Rule obligations.</p>	<i>7 in a director role; 5 in an executive role.</i>
<p>Board Experience</p> <p>Experience on the boards of other significant entities.</p>	<i>7 in a director role; 5 in an executive role.</i>
<p>Financial Services Experience</p> <p>Relevant experience within the financial services sector.</p>	<i>7 in a director role; 6 in an executive role.</i>
<p>Mergers & Acquisitions</p> <p>Track record in identifying and managing the process for mergers and acquisitions, including integration and change management.</p>	<i>7 in a director role; 5 in an executive role.</i>
<p>Information Technology</p> <p>Experience related to information technology and innovation strategies.</p>	<i>7 in a director role; 2 in an executive role.</i>
<p>Business Development</p> <p>Experience developing product, service or customer management strategies and innovations.</p>	<i>5 in a director role; 6 in an executive role.</i>
<p>Human Resources</p> <p>Experience in human resource management, including workplace culture, management development and succession, health and safety, diversity and remuneration.</p>	<i>5 in both a director and executive role.</i>
<p>Executive Leadership</p> <p>Sustainable success in business at a senior executive level.</p>	<i>All 7 directors in an executive role.</i>
<p>Stakeholder Relations</p> <p>Experience in managing relationships with stakeholders including investors, regulators, government, employees, suppliers and communities.</p>	<i>7 in a director role; 6 in an executive role.</i>

The Board considers, and where necessary, updates, the Board skills matrix at least annually to ensure that as Link Group develops, the Board comprises the appropriate mix of skills, expertise, experience and diversity.

Board Committees

Nomination Committee

The Nomination Committee currently comprises all Directors and is chaired by the Chair of the Board, Michael Carapiet.

The Nomination Committee Charter sets out the role and responsibilities of the Nomination Committee and the Charter is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html>

#corporategovernance. The Nomination Committee Charter is next scheduled for review in December 2017.

Broadly, the Nomination Committee assists the Board by:

- identifying and nominating for Board approval, candidates to fill Board vacancies;
- considering matters relating to the degree of independence of any Director;
- reviewing succession plans for Directors and Senior Executives;
- reviewing the skills, performance and effectiveness of the Board, its Committees and Directors;
- facilitating Directors continuing education; and
- creating and maintaining the Directors' skills matrix.

Given the composition of the Nomination Committee during FY2017, for efficiency, the nomination related roles and responsibilities have been considered and discharged by the Board during dedicated sessions in Board meetings.

Risk and Audit Committee

Details of the Risk and Audit Committee are described further in this Corporate Governance Statement.

Human Resources and Remuneration Committee

Details of the Human Resources and Remuneration Committee are described further in this Corporate Governance Statement.

Technology and Innovation Committee

The Technology and Innovation Committee has three members all of whom are independent Non-Executive Directors and is chaired by Glen Boreham, who is an independent Non-Executive Director.

The Technology and Innovation Committee Charter sets out the role and responsibilities of the Technology and Innovation Committee and the Charter is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>. The Technology and Innovation Committee Charter is next scheduled for review in December 2017.

Broadly, the Technology and Innovation Committee assists the Board by reviewing and endorsing matters including or related to:

- key technology changes, innovations and trends in the marketplace and their potential for application within Link Group;
- the strategy and innovation framework for developing or implementing new technologies and systems and the alignment of such strategy with Link Group's overall strategy and objectives;
- Link Group's information technology operations so as to enhance the Board's understanding of the use of technology as an enabler;
- the delivery of technology services to Link Group;
- major new technology projects and investments;
- the post implementation results of all key technology projects, including the achievement of expected benefits and return on investment;
- Management's strategies for sourcing of major technology suppliers and monitoring the technology governance framework for third party suppliers;
- matters of technology, systems, data and intellectual property risk and security to be advised to the Risk and Audit Committee; and
- the effectiveness of incident response plans as they relate to technology risks and cyber security risks.

Performance review of the Board

During FY2017, Link Group engaged the Australian Institute of Company Directors (**AICD**) to perform an independent assessment of the Board's performance. This process involved the completion of an online governance assessment followed by qualitative interviews. In addition to providing analysis on the performance of the Board, the AICD's report, expected to be received later this year, will provide a baseline data set from which to benchmark future performance. Through the Nomination Committee's review of the AICD report, the performance of the Board, its Committees and Directors will be considered and any necessary actions, agreed.

The Board and each of its Committees periodically self-assess their performance in accordance with the terms of each respective Charter.

The Board promotes ethical and responsible decision-making

Code of Conduct and Ethics

As the stewards of Link Group's corporate governance framework, the Board recognises the need to observe a high standard of corporate practice and business conduct. Accordingly, the Board adopted the Link Group Code of Conduct and Ethics, which outlines how Link Group expects its representatives to behave and conduct business in the workplace with specific reference to Link Group's values: professionalism, integrity, respect, commitment and teamwork.

All Link Group Directors, officers, employees and contractors (**Personnel**) must comply with the Link Group Code of Conduct and Ethics. All Personnel are expected at all times to comply with all applicable laws. In addition, all Personnel are expected to conduct Link Group's operations with high legal, moral and ethical standards in all their dealings and to uphold Link Group's reputation as a trusted third party financial administrator.

The Code of Conduct and Ethics is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance> and is next scheduled for review in December 2017.

Securities Trading Policy

Link Group's Securities Trading Policy governs trading in Link Group securities by Directors, Senior Executives, employees, contractors, other identified persons and their associates (**Restricted Persons**). Restricted Persons must not trade, arrange for someone else to trade, or pass on information to someone they know or ought reasonably to know, or use the information to trade (or procure another person to trade) Link Group shares when they are in possession of price sensitive information relating to Link Group which is not generally available to the market.

To avoid any adverse inference being drawn of unfair dealing, Restricted Persons can only deal in Link Group shares during applicable trading windows set out in the Policy. Trading windows are:

- 20 business days beginning on the first trading day after Link Group's annual results are released to ASX;
- 20 business days beginning on the first trading day after Link Group's half year results are released to ASX;
- 20 business days beginning on the first trading day after Link Group's Annual General Meeting; and
- any other period as the Board of Directors of Link Group may decide.

If a Director, Senior Executive or Senior Leader wishes to trade in Link Group shares during a trading window, the Securities Trading Policy provides for written approval by a corresponding authorised officer to be given. For all Restricted Persons, notification prior to, and after, trading is also required under the policy.

The Securities Trading Policy was amended by the Board at its August 2017 Meeting (and the amended Policy was released to the ASX). The Policy is also located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>.

Minimum shareholdings

The Board has adopted a series of Minimum Shareholding Policies to assist in aligning the interests of the Non-Executive Directors and Senior Executives with the interests of Link Group's shareholders.

Each Non-Executive Director must establish a level of share ownership equal in the value of the Non-Executive Director's annual fees or such amount as fixed by the Board from time to time. Each Director must meet the requirements of the policy within three years after the date of the Director's appointment.

Each Senior Executive must hold a minimum number of shares equal in value to one times the Senior Executive's annual base salary. Each Senior Executive must meet the requirements of the policy within three years of them becoming a participant in the Omnibus Equity Plan.

Progress is monitored annually to ensure all relevant persons are continuing to track well against the minimum shareholding requirements.

Details of the shareholdings of Key Management Personnel are set out in the Annual Report on page 77 located on the Link Group website under 'Investors' at <http://investors.linkgroup.com/Investors/?page=Annual-Reports>.

The Board safeguards integrity in corporate reporting

Risk and Audit Committee

The Risk and Audit Committee has four members all of whom are independent Non-Executive Directors and is chaired by Fiona Trafford-Walker, who is an independent Non-Executive Director. All members are financially literate and have a deep understanding of the industry in which Link Group operates to be able to discharge the Committee's mandate effectively. Several members have accounting and financial expertise.

The Risk and Audit Committee Charter sets out the role and responsibilities of the Risk and Audit Committee and the Charter is located on the Link Group website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>. The Risk and Audit Committee Charter is next scheduled for review in December 2017.

The purpose of the Committee is to:

- oversee, review and supervise Link Group's risk management framework and promote a risk management culture;
- assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal controls relating to all matters affecting Link Group's financial performance and the audit process;
- assist the Board in monitoring compliance with laws and regulations and Link Group's Code of Conduct and Ethics;
- assist the Board to adopt and apply appropriate ethical standards in relation to the management of Link Group and the conduct of its business; and
- review the adequacy of Link Group's insurance policies.

The responsibilities of the Committee in relation to external audit include:

- establishing procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- reviewing the external auditor's proposed audit scope and approach;
- meeting with the external auditor to review audit reports and at least once a year, meeting to discuss any matters that the Committee or auditor believe should be discussed privately without Management present;
- establishing policies as appropriate in regards to the independence, integrity and performance of the external auditor;
- reviewing the independence of the external auditor and the appropriateness of any non-audit services provided by them to Link Group; and
- reviewing the performance of the external auditor and the external audit fees paid.

The external auditor must be independent of Link Group. The Risk and Audit Committee will review and assess the independence of the external auditor on an annual basis.

The Risk and Audit Committee may obtain information from, and consult with, Management, the external auditor and external advisers, as it considers appropriate. The Risk and Audit Committee also has access to the external auditor to discuss matters without Management being present.

Managing Director and Chief Financial Officer Declarations

Prior to Board approval of Link Group's annual financial reports, the Managing Director and Chief Financial Officer must provide the Board with the declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. This declaration is also provided prior to Board approval of Link Group's half-year financial reports required under Recommendation 4.2 and as if section 295A of the Corporations Act applied in respect of a half-year period.

For the financial year ended 30 June 2017, the Managing Director and Chief Financial Officer made a declaration in accordance with section 295A of the Corporations Act Recommendation 4.2 of the ASX Principles. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively. An equivalent declaration was made for the half-year ended 31 December 2016.

Auditor at AGM

At Link Group's AGM, KPMG, as the independent external auditor, will be present and available to answer shareholder questions on the:

- conduct of the independent external audit;
- preparation and content of the independent external auditor's report;
- accounting policies adopted by Link Group in relation to the preparation of the financial statements; and
- independence of KPMG in relation to the conduct of the audit.

The Board makes timely and balanced disclosure

The Board is committed to maintaining the highest standards of disclosure, ensuring that all shareholders and potential investors have the same access to high-quality, relevant information in an accessible and timely manner to assist them in making informed decisions.

The Link Group Continuous Disclosure Policy ensures compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the Corporations Act and ASX Listing Rules and is located on the Link Group website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>. The Continuous Disclosure Policy is next scheduled for review in December 2017.

Under the Continuous Disclosure Policy, the Board bears the primary responsibility for Link Group's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this policy. The Board makes the ultimate decision on whether there is any materially price sensitive information that needs to be disclosed to the ASX. Through the Company Secretaries' Report, all Board meetings consider any information that must be disclosed to the ASX in accordance with Link Group's continuous disclosure obligations.

The Board has appointed the Chief Financial Officer & Joint Company Secretary as the Reporting Officer in order to streamline the day-to-day compliance with its continuous disclosure obligations. All Directors are required to notify the Reporting Officer if they believe there is materially price sensitive information which requires disclosure to the ASX. The Board has also appointed the Chief Financial Officer & Joint Company Secretary as its ASX liaison officer, being the person responsible for communicating with ASX with respect to all ASX Listing Rule matters.

The Board respects the rights of shareholders

A key part of Link Group's approach to governance involves encouraging shareholders' views to be heard and understood. It is important for our shareholders to access information and have facilities available to enable them as owners of Link Group to exercise their rights, and in doing so, shareholders are encouraged to make their views known to us. Link Group has adopted a Shareholder Communications Policy which is located on the Link Group website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>. The Shareholder Communications Policy is next scheduled for review in December 2017.

Link Group website

Link Group's website at <http://www.linkgroup.com> is kept current to maintain effective communication with shareholders and stakeholders. Information available on the Link Group website includes pertinent information about Link Group's operations, Director and Senior Executive profiles, copies of all key governance documentation and key shareholder information such as access to the Link Group Investor Centre, announcements, archived investor presentations and current share price information.

All ASX announcements made by Link Group can also be accessed from the 'Announcements' section of the ASX website at <http://www.asx.com.au/asx/statistics/announcements.do>, using Link Group's ticker code: LNK.

Investor relations

Relationships with investors are very important at Link Group. Following the Link Group's release of its half-year and annual financial statements, Link Group conducts investor briefings and investor roadshows with institutional groups and analysts.

Link Group's 2017 AGM will be held on 17 November 2017, and each of the Chair, Chair of the Human Resources and Remuneration Committee, Managing Director, Chief Financial Officer and Head of Investor Relations will engage in two-way communications with investors and proxy advisers in advance of the AGM, as appropriate.

Shareholder communications

Shareholders may elect to receive all communications from the Link Group share registry electronically. Electronic communications have the added advantage of being more timely and cost effective, which benefits all Link Group owners and is encouraged by Link Group. Shareholders should contact the Link Group share registry if they wish to elect to receive electronic communications by emailing LNK@linkmarketservices.com.au.

The Link Group share registry is managed by Link Market Services Limited: <http://www.linkmarketservices.com.au/corporate/home.html>.

Shareholder engagement and participation

Link Group strongly encourages shareholder engagement and participation at its AGM (and AGMs more broadly). Link Group's proprietary technology facilitates shareholder participation and our goal is to increase investor engagement and encourage investor participation. Shareholders who choose to participate in the meeting online will be able to view the AGM online and vote and ask questions online.

Meanwhile, shareholders who attend the Link Group AGM physically will also be able to ask questions and participate in voting, as well as meet the Board and the Senior Executives face-to-face.

Shareholders who are unable to attend the AGM either online or physically are encouraged to vote on the proposed motions by appointing a proxy. In addition, shareholders have the opportunity to submit written questions to Link Group and its independent external auditor, make comments on the management of Link Group and access presentations and speeches made by the Chair and Managing Director prior to the commencement of the meeting.

Link Group publishes the results of the AGM to the ASX and on its website following the conclusion of the AGM.

The Board recognises and manages risk

Risk Management

The Board requires Management to design, implement and review the risk management and internal control systems to manage Link Group's material business risks and report to it on whether those risks are being managed effectively. Ongoing risk management is a core competency of Management. Link Group's ability to identify and address risk is central to achieving our corporate objectives.

Link Group is committed to maintaining a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to Link Group's operations. Link Group seeks to align its risk related practices and policies to the key principles, framework and procedures of the international risk management standard ISO 31000:2009.

In its function as a risk committee, the Risk and Audit Committee assists the Board in fulfilling its corporate governance responsibilities in regard to oversight of Link Group's risk management framework and internal control systems. Details about the Risk and Audit Committee are set out above.

The Risk and Audit Committee's primary role with respect to risk management is to:

- consider the overall risk management framework and risk profile and annually review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- review and oversight of the adequacy of Link Group's systems for identifying, managing, and monitoring the key risks to Link Group in accordance with the Risk Management Policy;
- obtain reports from Management on the status of any key risk exposures or incidents;
- review and oversight of the adequacy of Link Group's process for managing risk and provide a recommendation to the Board regarding the same in accordance with the Risk Management Policy;
- review and oversight of any incident involving fraud or other material or significant break down of Link Group's internal controls in accordance with the Risk Management Policy;
- review and oversight of any material or significant incident involving any break down of Link Group's risk management framework in accordance with the Risk Management Policy;
- review and oversight of Link Group's insurance program having regard to Link Group's business and the insurable risks associated with its business and inform the Board regarding the same; and
- review and oversight of whether Link Group has any material exposure to any economic, environmental and social sustainability risks and if so, develop strategies to manage such risks to present to the Board.

In addition to the Risk and Audit Committee, Link Group's three other Committees also assist the Board in fulfilling its risk related corporate governance responsibilities, with respect to specific risks within each Committee's specific realm. Further information is contained in each Committee Charter located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>.

The Risk Management Policy sets out the requirements, roles and responsibilities for managing risks across Link Group which is documented in the Risk Management Framework. During FY2017, the Committee reviewed Link Group's Risk Management Framework. At its August 2017 Meeting, the Committee endorsed revisions to the Link Group Risk Management Policy and Risk Management Framework to reflect the risk appetite set by the Board. The revised Policy and Framework was also approved by the Board at its August Meeting. The Risk Management Policy is available on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>.

Through the Risk and Audit Committee, Management reported to the Board on the effectiveness of the management of the material risks faced by Link Group during FY2017. Through the Risk and Audit Committee, the Board has reviewed the Risk Management Framework and is satisfied that it continues to be sound.

Internal audit

The internal audit function provides objective assurance on the effectiveness of risk management, operational and transactional controls and governance. Internal audit operates under an annual plan reviewed and considered by the Risk and Audit Committee and the findings are presented to the Risk and Audit Committee. Link Group has an internal audit function which is supplemented by assistance from an external provider.

Economic, environmental and social sustainability risks

Link Group is committed to sustainability and to acting in a responsible manner to promote employee well-being, minimise our impact on the environment and give back to the wider community. Link Group's ethos is to build partnerships with our employees, clients, investors, suppliers and communities based on mutual respect, trust and fairness.

Link Group's Sustainability Report uses the Global Reporting Initiative's (GRI) 4th Generation (G4) guidelines. In FY2017, Link Group has focused on the key pillars of People, Environment, Community, Supply Chain and Governance:

- Our People - what we do to attract, retain and develop our employees given that their knowledge, skills and customer dedication are vital to Link Group's success;
- Our Environment - what energy and materials we use, even though as a technology-based services business we recognise that this is limited compared to a manufacturing business;
- Our Community - what activities we conduct to support the wider communities in which we operate;
- Our Supply Chain - how we manage our procurement and what standards we expect will be met; and
- Our Governance - our management and governance framework and the approach we have established to manage risk and ensure ethical behaviour.

Link Group's Sustainability Statement is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#sustainability>.

Link Group will continue to increase the scope and range of its activities and reporting over time, as its sustainability focus becomes broader and deeper and it identifies its priority areas for improvement. The FY2017 Sustainability Report, containing our sustainability performance, some technical details and the GRI Standards Content Index, is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#sustainability>.

The ASX Principles define 'material exposure' as a "real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for security holders over the short, medium or long term". Material business risks are described in the Sustainability Report and the Operating and Financial Review, but in summary, the key risks are as follows:

Economic risks	<ul style="list-style-type: none"> • Reliance on core and third party IT infrastructure • Risk to security and integrity of sensitive information • Reputation • Concentrated client base and contract renewal • Political and regulatory environment • Ability to attract and retain key personnel • Integration of acquired business and execution of new acquisitions • Increased competition
Environmental risks	<ul style="list-style-type: none"> • Climate Change
Social sustainability risks	<ul style="list-style-type: none"> • Reputation

Link Group's Operating and Financial Review provides details about our pro-active management of the economic risks (refer page 32 of the Annual Report located on the Link Group Website under 'Investors' at <http://investors.linkgroup.com/Investors/?page=Annual-Reports>).

The Board remunerates fairly and responsibly

Link Group's approach to remuneration is to align its policies and practices to sustainable shareholder value creation.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee has three members all of whom are independent Non-Executive Directors and is chaired by Sally Pitkin, who is an independent Non-Executive Director.

The purpose of the Human Resources and Remuneration Committee is to assist the Board with the:

- establishment of a human resources strategy and supporting policies and practices for Link Group employees and Directors, and monitoring the implementation and effectiveness of the strategy, policies and practices; and
- establishment of remuneration policies and practices for Link Group's employees and Directors and monitoring the implementation and effectiveness of the policies and practices.

The Human Resources and Remuneration Committee Charter sets out the role and responsibilities of the Human Resources and Remuneration Committee and the Charter is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>. The Human Resources and Remuneration Committee Charter is next scheduled for review in December 2017.

Remuneration policies and practices

Details about Link Group's remuneration strategy, framework, policies and practices are set out in the Remuneration Report which clearly distinguishes the structure of Non-Executive Directors' remuneration from that of the Executive Key Management Personnel.

The Link Group Remuneration Report has been updated during FY2017 and is set out from page 58 of the Annual Report, located on the Link Group website under 'Investors' at <http://investors.linkgroup.com/Investors/?page=Annual-Reports>.

Policy on hedging equity-based incentive schemes

Link Group's Securities Trading Policy prohibits those employees who participate in any employee or executive incentive plans from hedging the value of restricted shares and unvested securities granted under such plans. Breaches of this prohibition will result in awards being forfeited by the relevant employee. The Link Group Securities Trading Policy is located on the Link Group website under 'About Us' at <http://linkgroup.com/about-us.html#corporategovernance>.